

1 CHAIRWOMAN JAMES: Okay. While they're reviewing that,  
2 can we look at Commissioner Lanni's language?

3 COMMISSIONER LANNI: This is the proposed language for  
4 referencing the credit risk issue to the research.

5 CHAIRWOMAN JAMES: Okay. Stay with me here.

6 COMMISSIONER LANNI: Handle research in this  
7 Commission.

8 I propose that the following take place to deal with  
9 the credit issue from Governor McCarthy.

10 "The Commission recommends that the appropriate  
11 institutes conduct research to determine if an  
12 analysis of the available gambling patron data  
13 derived from banks and other credit agencies can  
14 assist in the identification of problem and  
15 pathological gamblers."

16 Do I have a second? Thank you.

17 CHAIRWOMAN JAMES: It has been moved and seconded. Are  
18 you ready for the question? Are you ready for the question?  
19 Does anyone want to talk about it some more?

20 COMMISSIONER BIBLE: Does this comport, then, with what  
21 you've done in your session?

22 COMMISSIONER MCCARTHY: Yes. I struck the reference to  
23 this.

24 COMMISSIONER BIBLE: Okay.

25 CHAIRWOMAN JAMES: Okay. Thank you. All in favor?

26 All opposed? The ayes have it. Commissioner Dobson.

27 COMMISSIONER DOBSON: The tabled item that we were  
28 dealing with is now fine.

29 CHAIRWOMAN JAMES: All the tables. And the tables

1 will be inserted?

2 COMMISSIONER DOBSON: Yes.

3 COMMISSIONER WILHELM: The tables will be inserted as -  
4 - that's chapter four, page six, line 33 tables. Thank you very  
5 much.

6 CHAIRWOMAN JAMES: Did you get that? The tables aren't  
7 tabled anymore.

8 MR. SEAY: The tables were not revised. They go in as  
9 they were proposed.

10 COMMISSIONER LEONE: Didn't you strike out the  
11 University of Michigan component?

12 COMMISSIONER LANNI: No. We added that back in when we  
13 determined that that actually was submitted. If it was just a  
14 question of it being raised, if it was submitted or not, it was  
15 submitted.

16 CHAIRWOMAN JAMES: What I'd like to -- that supposedly  
17 takes care of all of the tabled issues, which only leaves the  
18 executive summary, other than his.

19 Leo, about how much longer?

20 COMMISSIONER MCCARTHY: It's here, Madame Chair.

21 CHAIRWOMAN JAMES: It's here. Okay. I want to be sure  
22 that we have all remaining business done before we go to the  
23 executive summary, so I'm going to ask for a five minute break to  
24 review my notes and make sure there's no issues hanging out. So,  
25 we're going to take a break for about five minutes.

26 (Off the record from 3:20 o'clock p.m. until 3:35  
27 o'clock p.m.)

28 CHAIRWOMAN JAMES: Commissioner McCarthy.

29 COMMISSIONER MCCARTHY: Yes. Madame Chair, the members

1 of the Commission have before them two pages dealing with the  
2 casino questionnaire. I hope you haven't been handled more than  
3 that. The page you've been looking at should start at the top.  
4 The Commission mailed the questionnaire to approximately 500  
5 casinos nationwide.

6 Okay? Now, the first thing I want to ask you to do,  
7 please, is to strike the last paragraph on the next page, the one  
8 that begins:

9 "Parenthetically, it should be mentioned that  
10 similar list of questions was posed to major  
11 segments of the horse racing industry."

12 I think that I have characterized the exchange of  
13 correspondence there in an unfair way. We never submitted a  
14 formal questionnaire from the Commission to the horse racing  
15 industry. If we had, then the comment would be fair. They did  
16 respond in a letter. They did demonstrate they wanted to try to  
17 do something positively. There isn't -- I haven't been given  
18 nearly as much. The questions that I posed to them were from Dr.  
19 Curtis Barret's red book of things that those in the horse racing  
20 industry should do. So, that part was fair. But they were not  
21 given the format to answer the questions. So, I would propose  
22 that we strike that last paragraph.

23 On the - on what remains, I think I have addressed  
24 about all of the problems, except Bob Loescher's request to  
25 remove any reference to tribal casinos. I didn't do that, Bob,  
26 because this casino questionnaire went to great pains to be fair  
27 in its list of questions to both tribal and non-tribal casinos.  
28 As a matter of fact, I think I may have mentioned to you once I  
29 worked with someone who was in management to a couple of tribes.

1 I also contacted NIGA and asked for their comments, but I also  
2 worked directly and altered the list of questions at the request  
3 of someone who was a consultant to a couple of casino operations.

4 COMMISSIONER WILHELM: I second the motion.

5 CHAIRWOMAN JAMES: Call for the question.

6 COMMISSIONER BIBLE: Before you call for the question,  
7 this will replace all of the language under the heading of  
8 "Casino questionnaire"?

9 COMMISSIONER MCCARTHY: That's correct.

10 COMMISSIONER LANNI: So, does the language between  
11 "private sector" and "casino questionnaire" remain the same?

12 COMMISSIONER MCCARTHY: The language at the beginning  
13 of the chapter?

14 COMMISSIONER LANNI: Well, no, on page 14. Under  
15 "private sector efforts", from there until the heading, "casino  
16 questionnaire", does that all remain the same?

17 COMMISSIONER MCCARTHY: It does.

18 COMMISSIONER BIBLE: The only other thing is that in  
19 the original -- we said we had approximately 550 casinos. We're  
20 now saying approximately 500 casinos were mailed.

21 COMMISSIONER MCCARTHY: Thanks for that correction.  
22 Let's make it 550.

23 CHAIRWOMAN JAMES: All in favor? Any opposed? With  
24 that, we can move to the executive summary. I think that takes  
25 care of all the outstanding tabled issues.

26 COMMISSIONER LANNI: Okay. Page number 1, line number  
27 four. The current language says 48 sates.

28 COMMISSIONER WILHELM: We're going to war o ver this  
29 one, Lanni.

1 COMMISSIONER LANNI: Forty-seven states is the correct  
2 number.

3 CHAIRWOMAN JAMES: Hearing no objection.

4 COMMISSIONER MOORE: The next thing we need to -- and I  
5 would not have prepared a form on it, is that \$600 billion wager.

6 COMMISSIONER LANNI: I changed it as a result of that.

7 COMMISSIONER MOORE: But I assume that will change  
8 automatically. This is the issue we talked about.

9 COMMISSIONER LANNI: This is page number one, line  
10 number nine.

11 COMMISSIONER LEONE: It's a big thing in Times Square,  
12 actually, that will change.

13 CHAIRWOMAN JAMES: We have one.

14 COMMISSIONER LANNI: Okay. Page number one, line  
15 number 14. I am proposing that we delete the sentence, "There  
16 was no single overarching national decision to turn the United  
17 States into the world's leader in gambling." It's just not a  
18 natural fact. The world's leader in gambling per capita spending  
19 on gambling is higher in both Australia and the United Kingdom  
20 and the United States.

21 COMMISSIONER LEONE: Would you accept a friendly  
22 amendment to keep it an change it to "a world leader"?

23 COMMISSIONER LANNI: Absolutely.

24 CHAIRWOMAN JAMES: So, it will be a world leader.

25 COMMISSIONER LANNI: Page number one, line number 16.  
26 I'm suggesting under the current language where it says  
27 "decisions made by communities", we should insert the word  
28 "individual" before. It's not inividuals but individual.  
29 That's the title of it.

1 CHAIRWOMAN JAMES: Hearing no objection.

2 COMMISSIONER LANNI: And page number one, line number  
3 17 is in deference to our grand Commissioner from Missouri,  
4 otherwise known as Mississippi. The revised language is, "Over  
5 time, Las Vegas type casinos multiplied. First in Atlantic City  
6 and along the Gulf Coast and then on river boats." The casinos  
7 in the area of Mississippi are river boat casinos, they just do  
8 say it.

9 CHAIRWOMAN JAMES: So, you want to delete, "And along  
10 the Gulf Coast." Okay. Hearing no objection. Who's next?

11 COMMISSIONER DOBSON: That's mine. Madame Chair, there  
12 are four places in the executive summary here, executive summary,  
13 where the term "pathological gambling" is referred to. And I  
14 think we agreed yesterday that we were going to use the term  
15 "problem and pathological gambling." And so in -- if the context  
16 of those four statements implies the same thing, unless it  
17 specifically intends to refer to only pathological gambling, I  
18 think it ought to be changed to problem and pathological  
19 gambling, if this is the first example of it.

20 COMMISSIONER WILHELM: I agree.

21 CHAIRWOMAN JAMES: Hearing no objection.

22 COMMISSIONER BIBLE: That's right. That nomenclature  
23 should be used throughout.

24 COMMISSIONER DOBSON: So, the same thing is true on  
25 page five, line 2.5.

26 CHAIRWOMAN JAMES: Well, we agreed to do them all.

27 COMMISSIONER DOBSON: Yeah I know. But let's see.  
28 Yeah, that one -- that one we agreed to.

29 Okay. That brings me to page five, line six and seven.

1 COMMISSIONER BIBLE: Page two.

2 COMMISSIONER DOBSON: Oh, yeah. Somebody else is up.

3 COMMISSIONER LANNI: Okay. Page two, lines 16 though  
4 18, currently which says 37 states have pari-mutuel betting, to  
5 comport with the fact, I suggest they be revised to, "Thirty-  
6 seven states and the District of Columbia have lotteries, 31  
7 states have commercial casinos, class three Indian casinos or  
8 racinos. And 43 states have peri-mutuel betting."

9 COMMISSIONER BIBLE: What's a racino?

10 COMMISSIONER LANNI: A race track with a casino. They  
11 call them racinos. We don't have them here. I should have known  
12 that.

13 CHAIRWOMAN JAMES: Page two --

14 COMMISSIONER LANNI: Page two, line 16 through 18,  
15 either revised language just to comport with the reality.

16 CHAIRWOMAN JAMES: Hearing no objection.

17 COMMISSIONER LANNI: Page number three, line number  
18 nine, current language says, "Since 1999 casinos have been  
19 authorized in more than 20 states." As a revision, I'm  
20 suggesting that after that sentence, "And has created over  
21 700,000 direct and indirect jobs with wages of approximately \$21  
22 billion." To be noted, the citation is the economic impact of  
23 casino gambling report of the United States, which was submitted  
24 to us.

25 COMMISSIONER LEONE: I have always had a problem with  
26 that report and still do and --

27 CHAIRWOMAN JAMES: Hearing an objection, then I'll ask  
28 you to put it the form of a motion.

29 COMMISSIONER LANNI: I move that we have revised

1 language on line number nine to say, in addition, after the  
2 sentence, "Since 1999, casinos have been authorized in more than  
3 20 states and have created over 700,000 direct and indirect jobs  
4 with wagers in approximately \$21 billion."

5 CHAIRWOMAN JAMES: It has been moved and seconded.

6 COMMISSIONER LEONE: The point I made before, when  
7 people are commissioned to do these studies by industries,  
8 including whether it's the shipping industry, the airline  
9 industry or the casino industry -- I'm not singling them out,  
10 they use a technique called the gross multiplier which assumes  
11 that every job that's approaching zero, the money gets spent over  
12 and over again and they come up with very large numbers for the  
13 total amount of money and the total amount of jobs. We know that  
14 in fact from a macro-economic point of view, that can't be true.  
15 They'd be infinite. The jobs don't add up when you do that.  
16 So, economists are a little more careful. Use something called a  
17 net multiplier. I understand that it's very hard to do, but I  
18 just raise an objection to the fact. I don't deny that Arthur  
19 Anderson did it in a formal way. I just don't consider it  
20 intellectually respectable to do it that way.

21 COMMISSIONER LANNI: In this particular case -- and I  
22 share your thought about these studies, Richard, however in this  
23 case, these are numbers taken from the regulatory authorities in  
24 which --

25 COMMISSIONER LEONE: I know. You have citations. I'm  
26 just objecting to the way this is done in general -- against it.

27 COMMISSIONER LANNI: Which you obviously have every  
28 right to. But I just want to ensure all the Commissioners,  
29 including you, that in this case, these particular numbers are



1 700,000 direct and indirect jobs, which are based upon numbers  
2 that have been provided by the regulatory agency to individual  
3 entities.

4 CHAIRWOMAN JAMES: All in favor? Opposed? Any  
5 abstentions?

6 COMMISSIONER LANNI: Page number three to four, line  
7 numbers 33 and 34. Current language reads, "Legal in 43 states  
8 with over 150 race tracks in the United States, pari-mutuel horse  
9 races -- racing, excuse me, generates annual gross revenues of  
10 approximately \$3.25 billion, based on a handle or gross revenue  
11 of \$15.3 billion." Well, frankly, you can't have revenue of  
12 revenue. Revised language to be more accurate would be, "Legal  
13 in 43 states with over 150 race tracks in the United States.  
14 Pari-mutuel horse racing generates an annual revenue of  
15 approximately \$3.25 billion, based on handle or wagers of \$15.4  
16 billion."

17 COMMISSIONER WILHELM: If we're going to be consistent  
18 with what we did elsewhere, wouldn't we just drop the bigger  
19 figure?

20 COMMISSIONER LANNI: No, because this is the one  
21 instance. You can't actually define the handle slot machines as  
22 you can at a race track, but there actually is a handle.

23 COMMISSIONER WILHELM: All right.

24 CHAIRWOMAN JAMES: All in favor? Opposed?

25 COMMISSIONER LANNI: Page number four, line number four.  
26 Current language reads, "From -- pools to legalized bookmakers  
27 in Nevada and Oregon wagering on sports events. I propose we  
28 revise language from "Informal illegal office pools to legal  
29 bookmaking in Nevada wagering on sports events."

1 CHAIRWOMAN JAMES: Hearing no objection.

2 COMMISSIONER WILHELM: The next one is mine. In an  
3 effort to conform the executive summary to what we did to the  
4 convenience gambling language in the electronic gambling device  
5 language throughout. And this is the identical language that we  
6 approved to chapter two gambling in the United States.

7 CHAIRWOMAN JAMES: Hearing no objection.

8 Move to --

9 COMMISSIONER WILHELM: Page number four, line numbers  
10 19 and 20, the current language is "In 1988 Congress passed the  
11 Indian Gaming Regulatory Act, IGRA, which authorized casino  
12 gambling on Indian reservations. From 1988 when IGRA was passed  
13 to 1998." I would revise language to the following. "In 1988  
14 Congress passed the Indian Gaming Regulatory Act, IGRA, providing  
15 a regulatory framework for casino gambling on Indian  
16 reservations." To be more accurate.

17 CHAIRWOMAN JAMES: Hearing no objection.

18 COMMISSIONER WILHELM: The next one is page number  
19 four, line numbers 21 and 22. Current language reads, "As of  
20 1998 approximately 298 facilities were operating in 31 states."  
21 I think yesterday we agreed we would change it because as of 1998  
22 approximately 260 facilities were operating in 31 states to  
23 comport with Commissioner Loescher.

24 CHAIRWOMAN JAMES: Hearing no objections.

25 COMMISSIONER DOBSON: The next one, page five is also  
26 problem and pathological gamblers.

27 COMMISSIONER LEONE: No objection.

28 COMMISSIONER DOBSON: And page five, lines six and  
29 seven in the first paragraph, researches estimate that

1 approximately 1.8 million adults in the U.S. have been  
2 pathological gamblers at some time in their lives." I think that  
3 figure is wrong. One point eight million refers to the last  
4 year, and the figure down below is the accurate number.

5 COMMISSIONER WILHELM: Both figures are accurate. One  
6 is past year and one is lifetime.

7 COMMISSIONER DOBSON: It says at sometime in their  
8 lives is the way it reads, which makes it inaccurate. We can go  
9 one way or the other, but not this way.

10 COMMISSIONER WILHELM: Right.

11 COMMISSIONER DOBSON: So, I propose the -- move the  
12 language that you see in the revised section.

13 COMMISSIONER WILHELM: Jim, would you consider a  
14 modification, the following, if you will? Since its researchers,  
15 not all researchers are doing their research by interviews. They  
16 could be looking at statistics. I think maybe the verbiage may  
17 be better if you put, "Researchers estimate that between 2.5 to  
18 3.2 million adults admit to" -- drop that "admit to", make  
19 "having had." The million adults have met the criteria.

20 COMMISSIONER DOBSON: Shouldn't it say sometime in  
21 their life?

22 COMMISSIONER WILHELM: I would say that's next. I  
23 would have "in their lifetime."

24 COMMISSIONER DOBSON: Right. That's fine.

25 So, it would read, "Researchers estimate that between  
26 2.5 to 3.2 million adults have met the criteria in their lifetime  
27 for pathological gambling."

28 CHAIRWOMAN JAMES: Hearing no objection.

29 COMMISSIONER DOBSON: Thank you. Is the next one mine

1 too?

2 CHAIRWOMAN JAMES: No, it isn't.

3 COMMISSIONER DOBSON: Five, line 14. Who's that?

4 COMMISSIONER LANNI: Page five, line number 14.

5 Current language is, "It has been 23 years since the gambling  
6 industry and the gambling behaviors of Americans have been  
7 scrutinized." You might accept the fact that I would be bothered  
8 by the word "scrutinized." We have been scrutinized as an  
9 industry by state regulators and others. I would suggest we have  
10 revised language that says, "It has been 23 years since the  
11 gambling industry and the gambling behaviors of Americans have  
12 been reviewed by a federal Commission."

13 CHAIRWOMAN JAMES: Hearing no objections.

14 COMMISSIONER LANNI: Thank you.

15 COMMISSIONER LEONE: Page number six, line number two,  
16 current language reads, "By the time the NGISC was created in  
17 1920, in 1996 legalized gambling has grown nationally to a multi-  
18 billion dollar a year industry with net revenues of" -- and I  
19 guess we'd have \$50 billion. My revised language is, "By the  
20 time the NGISC was created in 1996, legalized gambling has grown  
21 nationally to a multi-billion dollar a year industry of \$50  
22 billion in legal wagering."

23 COMMISSIONER LOESCHER: Wouldn't it be gross revenues?

24 COMMISSIONER LEONE: I think we should use in net  
25 revenues. The same terminology we used before. Okay. Does the  
26 staff have that? All right.

27 MS. RICE: Net revenue?

28 COMMISSIONER LEONE: No. Gross. I'm glad you're  
29 listening to what I have to say.

1 COMMISSIONER DOBSON: Okay. The next one I think is  
2 mine, page seven, the last paragraph, lines one to three. "From  
3 the outset, Commissioners agreed not to be swayed by either  
4 advocates or opponents of gambling. They saw their primary  
5 obligation is a civic one to carry out fair and objective review,  
6 et cetera." That -- that's troublesome for me because we've  
7 taken testimony from both sides --

8 COMMISSIONER WILHELM: Jim, I second your motion.

9 COMMISSIONER LANNI: Page seven, line number 20, we're  
10 going to put in New Orleans?

11 COMMISSIONER LEONE: Yes. I just wanted -- that's allo  
12 it is is to add New Orleans. Since I berate New Orleans and  
13 Louisiana so often, I thought I'd just give them some moment  
14 before the Commission.

15 CHAIRWOMAN JAMES: Hearing no objection.

16 COMMISSIONER LANNI: Page number nine, line number 28.  
17 "Every aspect of" -- it's really technical.

18 CHAIRWOMAN JAMES: Yeah.

19 COMMISSIONER LEONE: Excuse me, Madame Chair, on page  
20 nine some of this language is mine and some of it got lost. And  
21 since I think this is not asking too much, I'm just going to pass  
22 this around to see if people will agree to insert this, which  
23 would go after the first paragraph.

24 CHAIRWOMAN JAMES: After policy makers?

25 COMMISSIONER LEONE: No. "The government sponsored  
26 gambling is the way it begins" and "policy makers give the last  
27 word." That's right. And this is -- I simply feel that we -- in  
28 the executive summary we should have stronger language about  
29 lotteries and go further. The recommendation is a recommendation

1 for the end of the chapter. But this is material we've all  
2 discussed. It was in our findings.

3 CHAIRWOMAN JAMES: Let's have a second to read it.

4 Has everyone had an opportunity to read it?

5 Do I hear any objections?

6 Hearing none. Can you make sure that the -- a copy of  
7 this.

8 COMMISSIONER BIBLE: And if I could have the same  
9 courtesy, if we go back to page one. Did we approve this? I  
10 want to go back to page one. I do have one item. And in the  
11 second paragraph we're talking about "video poker, known to some  
12 as video crack," and we have recommended a study, and that that  
13 issue be studied in Commissioner McCarthy's rather lengthy list  
14 of topics. I'll take a look at the -- if there is an addictive  
15 effect of machine gambling it would seem inappropriate to me that  
16 we would have this reference here and call it video crack if  
17 we're recommending a study to make a determination of whether it  
18 is or it is not.

19 COMMISSIONER LEONE: I agree. We've tried to be more  
20 scientific than other people in these issues.

21 CHAIRWOMAN JAMES: Any objection to deleting "video  
22 crack"?

23 Hearing no -- it's just "video crack."

24 COMMISSIONER BIBLE: So, we eliminate the "known to  
25 some as video crack." That would be it, otherwise we'd leave the  
26 known to some as.

27 CHAIRWOMAN JAMES: Yeah.

28 COMMISSIONER WILHELM: Is the next one page nine, 37 to  
29 39. This is likewise an amendment to conform the executive

1 summary to what we did with convenience gambling. And it's  
2 identical language.

3 COMMISSIONER MCCARTHY: Is that your language, John,  
4 that paragraph?

5 COMMISSIONER WILHELM: Yes, sir.

6 COMMISSIONER MCCARTHY: Would you have any objection  
7 to adding the word "electronic" in front of device form  
8 primarily, an electronic device form?

9 COMMISSIONER WILHELM: Where are we?

10 COMMISSIONER MCCARTHY: First line of the last  
11 paragraph. Is that where we are? Page nine.

12 COMMISSIONER WILHELM: Quasi-legal electronic?

13 COMMISSIONER MCCARTHY: Yes. When we're talking about  
14 convenience gambling, they always are some form of electronic.

15 COMMISSIONER WILHELM: I'm not following, Leo. Are you  
16 looking at my amendment?

17 COMMISSIONER MCCARTHY: Let's see, page nine -- 37, 39.

18 I don't know. It looks like it. Yeah, this is -- it's not an  
19 amendment to what you're putting in. I thought this general area  
20 was some -- on this was something you had drafted earlier. I'm  
21 not objecting to your amendment.

22 COMMISSIONER WILHELM: My point is that the amendment  
23 says electronic.

24 CHAIRWOMAN JAMES: Do you see the revised language on  
25 the sheet?

26 COMMISSIONER MCCARTHY: So the language in the  
27 paragraph that begins, "The regulation of convenience gambling."  
28 The bottom paragraph in page nine in the chapter. In the  
29 overview. I was looking at the first line. Have you already

1 inserted electronic?

2 COMMISSIONER WILHELM: No, sir, I didn't address that.  
3 That's not my language, but you can do whatever you want.

4 COMMISSIONER MCCARTHY: Well, if you felt elsewhere  
5 that it should be electronic device, we'll just be consistent.

6 COMMISSIONER WILHELM: Whatever.

7 CHAIRWOMAN JAMES: That's not before us right now for  
8 discussion. There was not an amendment or anything suggested  
9 there. What's before us right now is the revised language to be  
10 inserted at the bottom of page nine, after "adolescents."

11 COMMISSIONER WILHELM: Again, it's the same language we  
12 approved yesterday.

13 CHAIRWOMAN JAMES: Yeah. Hearing no objection.

14 COMMISSIONER LEONE: Page 10, line number seven.

15 COMMISSIONER MCCARTHY: I'm sorry, madame Chair, before  
16 we leave that page, did we acquiesce unanimously in also  
17 inserting the word "electronic" at --

18 CHAIRWOMAN JAMES: No, we did not. Where would you  
19 like that to go?

20 COMMISSIONER MCCARTHY: First line, paragraph nine.

21 CHAIRWOMAN JAMES: Okay. "The regulation of  
22 convenience gambling" --

23 COMMISSIONER MCCARTHY: "Primarily an electronic  
24 device."

25 CHAIRWOMAN JAMES: Hearing no objection.

26 COMMISSIONER LANNI: Page number 10, line number seven.  
27 We need to correct a statement in there. It reads, starting at  
28 line six:

29 "The NGISC believes that when wagering is used to



1                   alter the outcomes of games, or when it threatens  
2                   the integrity of sports, or becomes a business,  
3                   it should be prosecuted."

4                   I think it should be, "Becomes an illegal business."  
5   So, you need to insert "an" and "illegal" in front of the word  
6   "business." An illegal business.

7                   CHAIRWOMAN JAMES: Hearing no objection.

8                   COMMISSIONER LANNI: Page number 10, line number nine.  
9   I am suggesting we delete this sentence because it's inaccurate.

10                  CHAIRWOMAN JAMES: Page 10, line --

11                  COMMISSIONER LANNI: "Currently, federal restrictions  
12 prohibit most form of advertising for gambling." They don't.

13                  COMMISSIONER WILHELM: Yeah, it doesn't detract from  
14 what's being argued.

15                  CHAIRWOMAN JAMES: Hearing no objection.

16                  COMMISSIONER LANNI: Okay. On that same page of notes  
17 we just need to correct the title of that subchapter, "gambling  
18 and addictions" should be "Problem and pathological gambling."

19                  CHAIRWOMAN JAMES: Yes. That's going to happen.

20                  COMMISSIONER DOBSON: Okay. Page 10, in 24, there are  
21 two problems here or things that I'd like to move that we change.  
22 The first is again back to pathological gambling. Make it  
23 problem and pathological gambling. But also I would like to add  
24 the term "millions" to the statement, because the way it's  
25 written in, you could be talking about 25 weird people. "While  
26 the prevalence and causes of problem and pathological gambling  
27 are not well understood, it is clear that millions of people are  
28 indeed addicted to gambling."

29                  COMMISSIONER MOORE: Can we pick out some number that

1 we've used previously and put a number in there?

2 COMMISSIONER LANNI: Well, we do -- don't we have the  
3 same language that we used before? What did you use before? I  
4 thought we decided not to use "addictive."

5 COMMISSIONER DOBSON: Well, we're going to use problem  
6 pathological there, and I assume we're going -- that's something  
7 we're doing all along, right? Isn't that what we've been doing?

8 COMMISSIONER LANNI: Problem pathological is not the  
9 question, though.

10 COMMISSIONER WILHELM: I was referring to addictive.

11 CHAIRWOMAN JAMES: Well, let's do these one at a time.  
12 Let's do some and then we'll look at that addictive.

13 COMMISSIONER LANNI: I think we do have to use a  
14 number. We're using NORCs and National Research Council numbers  
15 elsewhere.

16 COMMISSIONER DOBSON: Well, the number is, what, 11  
17 million?

18 COMMISSIONER BIBLE: Well, there's a range. You can  
19 put a range of whatever it is to --

20 CHAIRWOMAN JAMES: That is the range on the low-end  
21 millions and on the high-end millions? Can we just say

22 COMMISSIONER DOBSON: I'm sorry, what was the --  
23 million is fairly conservative.

24 CHAIRWOMAN JAMES: Millions are what?

25 COMMISSIONER DOBSON: Millions fall into these  
26 categories.

27 COMMISSIONER LANNI: That's good.

28 CHAIRWOMAN JAMES: Fall into these categories. You've  
29 been like this all along.

1 MR. KELLY: Okay. Let's see, 10-28, Madame Chair,  
2 "Fall into these categories" replaces, "Are indeed addicted to  
3 gambling"?

4 CHAIRWOMAN JAMES: Yes.

5 COMMISSIONER LANNI: What about 10-24?

6 CHAIRWOMAN JAMES: That was it. Okay. We're in page  
7 10, line number 28.

8 COMMISSIONER DOBSON: That same issue. Ten thirty-one,  
9 let's see -- theft, embezzlement, domestic violence and child  
10 abuse and neglect. It just adds the other --

11 COMMISSIONER LANNI: I second.

12 CHAIRWOMAN JAMES: Hearing no objection. Page 11.

13 COMMISSIONER LANNI: Page 11, line seven through eight,  
14 revised language of the "Initially in order to conduct it in-  
15 depth." We already used that earlier. I think it should comport  
16 here. I think the language reads, "Additionally, NORC conducted  
17 case studies in 10 communities." Jim added ten. We need to add  
18 that here. "In which they interviewed seven or eight community  
19 leaders regarding their perceptions."

20 COMMISSIONER DOBSON: Yes, and the word each is also  
21 there. Ten communities in which --in each of which.

22 COMMISSIONER WILHELM: That's right Jim.

23 COMMISSIONER LANNI: At page number 11, line 16 through  
24 17. Once I read this I realized that a man of the background of  
25 Richard never could have written this.

26 COMMISSIONER LEONE: Actually, didn't write that, but  
27 once you brought it to my attention I thought it was so funny to  
28 leave it in.

29 COMMISSIONER LANNI: And what spectrum of gambling

1 behaviors does an individual change from being a simple to a  
2 full-blown pathological gambler?

3 COMMISSIONER LEONE: This is a public meeting?

4 COMMISSIONER LANNI: I yet have -- I have -- halfway  
5 through a two year commission.

6 To make this a non-x-rated statement, or a non  
7 political statement, that would especially embarrass members of  
8 the opposite party, I'd like to delete this.

9 COMMISSIONER LANNI: "The American Psychiatric  
10 Association, considered an authoritative source on mental  
11 problems, has attempted to bring order to the labeling of  
12 gambling problems or behaviors by creating different levels of  
13 diagnostic criteria for problem and pathological gamblers. I  
14 would suggest we delete the word "problem and", as well as  
15 "different levels of." The APA does not recognize problem  
16 gambling as a clinical disorder, nor does it reference it in DSM  
17 IV. DSM IV also does not recognize different levels. We're  
18 misrepresenting our friends at the APA.

19 CHAIRWOMAN JAMES: Hearing no objection.

20 COMMISSIONER LEONE: Give me just a --

21 CHAIRWOMAN JAMES: Give you a second. Okay.

22 COMMISSIONER LEONE: It would then just -- "By creating  
23 diagnostic criteria for pathological gambling"?

24 CHAIRWOMAN JAMES: Right.

25 COMMISSIONER LANNI: Page number 11, line number 36.  
26 The current language is, "The NORC study indicated that problem  
27 and pathological gamblers account for about 15 percent of total  
28 gambling revenues, or about 7.6 -- \$7.6 billion per year."

29 The revised language that I'm proposing is that, "The

1 NORC study estimated that problem pathological gamblers account  
2 for between five and 15 percent of total gambling revenues."

3 COMMISSIONER DOBSON: Terry, I believe that is in  
4 error. I believe that relates to the preliminary NORC report.  
5 The final report as of April 1st says that the 15 percent figure  
6 is an average. It's on page 33 with a range of eight to 22  
7 percent.

8 COMMISSIONER LANNI: Well, there have been so many NORC  
9 reports they should have done them in different colors so I could  
10 recognize the differences. But maybe staff could -- I never  
11 change my tune.

12 COMMISSIONER WILHELM: I'd like to note for the record  
13 that Jim is referencing the April Fool's Day version.

14 COMMISSIONER DOBSON: I didn't write it.

15 CHAIRWOMAN JAMES: Can we agree we'll just take the  
16 final NORC report?

17 COMMISSIONER LANNI: That would be good.

18 Page number 12, line number seven. Current language  
19 says, "Perhaps surprising to some, the largest source of funding  
20 for research on problem and pathological gambling is the casino  
21 industry." Since they're going to lay this at our feet, I would  
22 like to at least say the "commercial casino industry."

23 CHAIRWOMAN JAMES: Hearing no objection.

24 COMMISSIONER LANNI: Page number 12, lines 10 and 11.  
25 Current language is, "The NGISC stands firm in its conviction  
26 stands firm in its conviction that further research on  
27 pathological conducting must be conducted." It's the same thing  
28 as Jim had said, it should be "problem and pathological."

29 That's it. That's the only changes.

1 CHAIRWOMAN JAMES: Hearing no objection.

2 COMMISSIONER LANNI: Page 15, line number 13, current  
3 language is, quote, "As of this writing, none of the bills to  
4 either prohibit or regulate the industry has passed." That  
5 should be deleted because, technically, it did pass. The Kyle  
6 bill passed 99 to nothing in the United States Senate. It died  
7 in the House Committee considering it, and it's going to be  
8 revised. But this would be a misstatement of fact.

9 COMMISSIONER DOBSON: Would it be appropriate to say,  
10 "has passed Congressional"?

11 COMMISSIONER LANNI: It's not Congressional because it  
12 didn't pass the House.

13 COMMISSIONER DOBSON: I know that, but it did -- well.  
14 Not a big deal.

15 COMMISSIONER LANNI: Page 15, lines 23 through 34,  
16 once again is to form the executive summary with what we did with  
17 the convenience gambling.

18 COMMISSIONER DOBSON: But we should relocate this.

19 COMMISSIONER LANNI: We did.

20 Page 16, line number five. This is in response to my -  
21 - NORC. I have not been heavily relying on NORC. Life has been  
22 far better, as far as I'm concerned, since Christine (phonetic)  
23 has not been present for our meetings. Separate issue.

24 Current language is, "Even if the NGISC's two years of  
25 soundly conducted research, the question cannot be definitely  
26 answered." I object to the use of the word, "soundly conducted  
27 research."

28 COMMISSIONER DOBSON: Both statements have a split  
29 infinity. I'm sure that will upset a lot of people. It would

1 upset my mother.

2 CHAIRWOMAN JAMES: Hearing no objection. Do you want  
3 to object? Page 16.

4 COMMISSIONER LANNI: We're one page behind.

5 CHAIRWOMAN JAMES: Getting close. We're trying to  
6 figure out if the research was sound or extensive.

7 COMMISSIONER WILHELM: How about expensive?

8 COMMISSIONER DOBSON: What is it you wanted to modify?

9 COMMISSIONER LANNI: To drop the word "soundly  
10 conducted." Just research.

11 CHAIRWOMAN JAMES: And have extensive research.

12 COMMISSIONER LANNI: Extensive research, rather than  
13 soundly.

14 CHAIRWOMAN JAMES: Hearing no objection.

15 COMMISSIONER WILHELM: Now we're on 17-3? This is a  
16 proposal that I submitted. And I want to make a couple of  
17 comments that pertain to this and two others that are going to  
18 come up momentarily. It's my view that the entire report, as we  
19 are about to conclude it, is in one sense lopsided. I don't want  
20 to say unbalanced, but lopsided, in that it spends a great deal  
21 more of its space in words on problem and pathological gambling  
22 and social cost, as opposed to spending a great deal less of its  
23 words and space on economic impact. Even though in the enabling  
24 statute it would appear that we're supposed to have looked at  
25 both equally.

26 That lopsidedness also reflects the decisions we made  
27 about research priorities, in which we spent far more money on  
28 the problem gambling and social cost areas than on the economic  
29 impact. I accept that and I believe that the reasons for that

1 are evident. However, having accepted that lopsidedness, it's my  
2 view that when the executive summary is compared to the report as  
3 a whole, the executive summary is short on economic impact as  
4 compared to the report as a whole.

5           So, I am proposing to do three things, and I might as  
6 well just talk about them all at once. They're all in here  
7 except one that was inadvertently omitted by staff or somebody  
8 that is now being passed out. I want to do three things to, in  
9 my view, make the executive summary more accurately reflect the  
10 report as a whole. One, I want to insert on page 17 the language  
11 that I have quoted here, which is language we've already approved  
12 in chapter seven, "Gambling's impact on people and places."  
13 There's no magic formula to how much economic verbiage should be  
14 included or excluded, but in my view it's presently quite  
15 lacking, and I would like to include this language, which as I  
16 said is language we've already approved elsewhere.

17           In connection with that, I am also proposing to add to  
18 the list of -- and this may be premature, but since it all has  
19 the same rationale I may not subject you to the same speech three  
20 times. When we get to the -- those are the selected  
21 recommendations that will be included in the executive summary, I  
22 would like to propose the addition in the executive summary of  
23 recommendations 7.1 and 7.3, which deal with economic impact.

24           COMMISSIONER LANNI: I'll second that.

25           CHAIRWOMAN JAMES: It was going to be my recommendation  
26 to look -- a commission, John, but rather than try to determine  
27 which of the recommendations would be in the executive summary,  
28 to avoid that rather lengthy discussion, that we would include  
29 them all.



1 COMMISSIONER WILHELM: Oh, fine. I am very  
2 comfortable with that. In that case, I would just limit my  
3 proposal to the language proposed for page 17, line three.

4 CHAIRWOMAN JAMES: Let's take care of that one. Some  
5 people may only read the executive summary, and I think it's  
6 important to --

7 COMMISSIONER WILHELM: I understand. I think that's a  
8 good point. Very wise. And so I would just propose this initial  
9 language instead of the recommendation. The language on 17.

10 COMMISSIONER LANNI: Look -- excuse me, Madame Chair,  
11 I'm responsible for some of the language and, I suppose, some of  
12 the tipping in this, although for none of the split infinitives.  
13 And I would rather split the difference with John than split an  
14 infinitive. Jim, we're a dying breed. I think the next  
15 generation will come a long and be splitting infinitives and  
16 putting "hopefully" in the middle of things. But in any event,  
17 this is a fair statement, and I -- the way it's drafted carefully  
18 with quantifiable economic benefits and so I can -- I can support  
19 this statement and second it.

20 CHAIRWOMAN JAMES: Call for question. All in favor?

21 Any opposed?

22 Next. Page 17, line seven.

23 COMMISSIONER LANNI: Seventeen, line number seven, if  
24 you turn to that particular page it says, "In one of the surveys  
25 contracted by the NGISC 10 communities were interviewed regarding  
26 the economic impact of casinos." I'd just like it to comport  
27 with the language where it's got the other two. And that's what  
28 we have here in the revised language. Correct now.

29 CHAIRWOMAN JAMES: That you'd like the correct language

1 --

2 COMMISSIONER LANNI: Exactly. To comport with.

3 COMMISSIONER DOBSON: The next one is mine and it's  
4 moot in view of the Chair's decision about recommendations.

5 CHAIRWOMAN JAMES: Oh, gee. We have one left. Maybe  
6 we should take a break and come back to it in an hour.

7 COMMISSIONER WILHELM: We have two left.

8 CHAIRWOMAN JAMES: We have two left. I must have  
9 passed it. What I have before me is page 24.

10 COMMISSIONER LANNI: There's one before that.

11 CHAIRWOMAN JAMES: What's the one before that?

12 COMMISSIONER LANNI: Page number 21 through 22? Is  
13 that --

14 CHAIRWOMAN JAMES: We just did that.

15 COMMISSIONER LANNI: Oh, I'm sorry, that was moot on  
16 account of the Chair's recommendation.

17 CHAIRWOMAN JAMES: We did all those.

18 COMMISSIONER LANNI: Now, listen up, this is the last  
19 one. Page number 24, line seven through 15. It says

20 -- if you read that paragraph I merely think it should comport  
21 with the language in the overview that was adopted yesterday,  
22 which I can read to you. Let me read that to you because we  
23 probably haven't seen it unless you reviewed the documents. It  
24 would be replaced with the following language:

25 "The Commission, through its research agenda, has  
26 added substantially to what is known about the  
27 impact of gambling in the United States. We also  
28 have tried to survey the universe of information  
29 available from other sources. But it is clear

1 that Americans need to know more in this context.

2 Our call for a pause should be taken as a  
3 challenge, a challenge to intensify the effort to  
4 increase our understanding of the cost and  
5 benefits of gambling and deal with them  
6 accordingly. Policy makers and the public should  
7 seek a comprehensive evaluation of gambling's  
8 impact."

9 Okay.

10 CHAIRWOMAN JAMES: Hearing no objection. That's done.

11 Are there any tabled issues that any Commissioner knows  
12 of that needs to come back up?

13 COMMISSIONER WILHELM: We have a handout we got, it's  
14 called, "Executive summary, page 10, lines 23 to 25," which is  
15 another change that I don't believe we've addressed. I don't  
16 know where it came from.

17 CHAIRWOMAN JAMES: I don't have it in front of me.

18 COMMISSIONER LANNI: This was handed out yesterday.  
19 It's for the executive summary, page 10.

20 CHAIRWOMAN JAMES: I don't have it.

21 COMMISSIONER WILHELM: I think all it does is conform  
22 the executive summary with the overview language. It says,  
23 "Today, the vast majority of" --

24 CHAIRWOMAN JAMES: We just did that. You weren't  
25 paying attention. We did it.

26 COMMISSIONER WILHELM: I have one other matter to  
27 raise, which I don't think is tabled, and I would defer to  
28 Commissioner Leone's wisdom on this, and that is on the executive  
29 summary on the charts that are in draft form in the back of Tab

1 2. Richard, do you think that the charts ought to be in current  
2 or constant dollars?

3 COMMISSIONER LEONE: Well, I assume -- ideally, you do  
4 it in both, nominal and constant dollars. I don't know what's  
5 available to us at this stage, although it wouldn't be hard to --  
6 well, I shouldn't say that. These are nominal.

7 COMMISSIONER WILHELM: I don't feel strongly about this  
8 late date. I do think, a, when you clearly specify what we're  
9 doing, and, b, we need to be consistent in all the charts and  
10 graphs.

11 COMMISSIONER LEONE: We should make clear -- you do  
12 know I always insist that we should make clear that these are  
13 nominal dollars and not adjusted for inflation. Not inflation-  
14 adjusted, we should say. It's a very different number.

15 CHAIRWOMAN JAMES: We have finished all of the -- the  
16 substantive edits. I think we're at a point now where we're  
17 ready to entertain a motion.

18 COMMISSIONER LEONE: Madame Chair, may I have the  
19 floor?

20 CHAIRWOMAN JAMES: Certainly.

21 COMMISSIONER LEONE: Somebody reminded me today --  
22 actually, I want to, just for the record, because some people are  
23 at this first meeting, to let them know that I was a  
24 comparatively young man when this -- it may not seem obvious.

25 Some of you reminded me today of something Mo Udhall  
26 (phonetic) always used to say at long committee meetings,  
27 everything has been said but not everyone has said it yet. Well,  
28 we have. And I think we've reached the point where a general  
29 motion is in order.

1           I want -- I want to frame it by saying that I made a  
2 reference yesterday about family squabbles. And, you know,  
3 that's another famous line about all happy families are happy in  
4 the same way. And I think part of that way is not because they  
5 agree on everything. We started out disagreeing and we still  
6 disagree on some things. We agreed on more than I ever imagined.  
7 And I don't -- I believe I speak for everybody here and say that  
8 we finished with more respect for each other than we had when we  
9 started. We have, as the last couple of days particularly have  
10 demonstrated, a gallant Chair who has operated -- been a warrior,  
11 really, in terms of help. And I really think we could not have  
12 come this far without her willingness to put up with us. I am  
13 reliably informed, though, while she seems to have the flu, this  
14 is actually an illness related to bighting her tongue. The rest  
15 of us haven't done that and we've been able to emote and  
16 sometimes explode, and Kay has always kept an even temperature.

17           The staff has been remarkably loyal and is probably  
18 entitled to have -- as a true liberal Democrat, to have some kind  
19 of cyndicure (phonetic) (phonetic) for the rest of your lives for  
20 this. And most of all, the Commissioners have a right, I think,  
21 to go about their business, which is why I want to propose the  
22 adoption of the report.

23           COMMISSIONER DOBSON: Madame Chair?

24           CHAIRWOMAN JAMES: Commissioner Dobson.

25           COMMISSIONER DOBSON: I was having some of the same  
26 thoughts and give minutes ago just scratched this out. I don't  
27 whether it is appropriate or not. I wrote that this is a motion.

28           The members of the Commission wish to commend the Chair  
29 for her objectivity and diligence in fulfilling her

1 responsibilities, and to thank the staff for their hard work  
2 during these past two years. Our task would have been much more  
3 difficult in less competent hands.

4 COMMISSIONER LANNI: I would propose that both of those  
5 statement be included in the report.

6 COMMISSIONER DOBSON: That's a friendly amendment and I  
7 accept that.

8 CHAIRWOMAN JAMES: Well, thank you. It has been moved  
9 and it has been seconded that we will adopt this report. Call  
10 for the question?

11 COMMISSIONER LANNI: Question.

12 CHAIRWOMAN JAMES: All in favor?

13 Any opposed?

14 Any abstentions?

15 You do have the opportunity for your personal  
16 statements, and they are do when, Tim?

17 MR. KELLY: Tuesday morning.

18 CHAIRWOMAN JAMES: Tuesday morning. Staff will  
19 incorporate any technical edits that remain, subject to the  
20 authority granted today. I'll also remind Commissioners that the  
21 blue line will be available in case anybody wants to stop by the  
22 office and take a look at it.

23 COMMISSIONER LANNI: Length of personal statements?

24 CHAIRWOMAN JAMES: Two pages.

25 COMMISSIONER LANNI: Meaning what, two double-spaced  
26 typed pages?

27 CHAIRWOMAN JAMES: Anything you can get on two pages.